



The Commonwealth of Massachusetts

DEPARTMENT OF TELECOMMUNICATIONS AND ENERGY

D.T.E. 04-119

**FIRST SET OF INFORMATION REQUESTS OF THE DEPARTMENT OF
TELECOMMUNICATIONS AND ENERGY TO
MASSACHUSETTS ELECTRIC COMPANY, NANTUCKET ELECTRIC COMPANY,
NEW ENGLAND HYDRO-TRANSMISSION ELECTRIC COMPANY, INC. AND
NEW ENGLAND POWER COMPANY**

Pursuant to 220 C.M.R. § 1.06(6)(c), the Department of Telecommunications and Energy ("Department") submits to Massachusetts Electric Company, Nantucket Electric Company, New England Hydro-Transmission Electric Company, Inc. and New England Power Company (together, "Company") the following Information Requests:

INSTRUCTIONS

The following instructions apply to this set of Information Requests and all subsequent Information Requests issued by the Department to the Company in this proceeding.

1. Each request should be answered in writing on a separate, three-hole punch page with a recitation of the request, a reference to the request number, the docket number of the case and the name of the person responsible for the answer.
2. Do not wait for all answers to be completed before supplying answers. Provide the answers as they are completed.
3. These requests shall be deemed continuing so as to require further supplemental responses if the Company or its witness receives or generates additional information within the scope of these requests between the time of the original response and the close of the record in this proceeding.

4. The term “provide complete and detailed documentation” means:

Provide all data, assumptions and calculations relied upon. Provide the source of and basis for all data and assumptions employed. Include all studies, reports and planning documents from which data, estimates or assumptions were drawn and support for how the data or assumptions were used in developing the projections or estimates. Provide and explain all supporting work-papers.
5. The term “document” is used in its broadest sense and includes, without limitation, writings, drawings, graphs, charts, photographs, phono-records, microfilm, microfiche, computer printouts, correspondence, handwritten notes, records or reports, bills, checks, articles from journals or other sources and other data compilations from which information can be obtained and all copies of such documents that bear notations or other markings that differentiate such copies from the original.
6. If any one of these requests is ambiguous, notify the Hearing Officer so that the request may be clarified prior to the preparation of a written response.
7. Please file one copy of the responses with Mary Cottrell, Secretary of the Department and on all parties. Also submit one (1) copy of the responses to Jeanne L. Voveris, Hearing Officer; one (1) copy of the responses to Paul Osborne, Assistant Director - Rates and Revenue Requirements Division; one (1) copy of the responses to Glenn Shippee, Rates Division; and one (1) copy of the responses to Thomas Carey, Rates Division.
8. In addition to filing, all non-proprietary responses should be submitted by e-mail to dte.efiling@state.ma.us and to the e-mail address of any party required to be served.

INFORMATION REQUESTS

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| DTE 1-1 | Refer to Exh. MEC-1, at 4. Please describe in detail the settlement procedures employed by the Money Pool, including how surplus cash is transferred to the Money Pool by participants and the interfaces that exist with correspondent financial institutions. |
| DTE 1-2 | Refer to Exh. MEC-1, at 7. Provide the anticipated date of filing for the 2004 report regarding the operation of the National Grid USA Money Pool. |

- DTE 1-3 Refer to Attachments A through D of the 2003 annual report regarding the operation of the National Grid USA Money Pool. Please provide, to the extent available, the information contained therein for the year 2004 for New England Power Company, Massachusetts Electric Company, New England Hydro-Transmission Company, and Nantucket Electric Company. As part of this response, explain whether the monthly borrowing rates for 2004 were based on the borrower's own commercial paper rates or the commercial paper rates published in the Wall Street Journal.
- DTE 1-4 Refer to Exh. MEC-1, at 8 and the 2002 and 2003 annual reports regarding the operation of the National Grid USA Money Pool. Please explain whether the monthly borrowing rates contained in the annual reports were based on the borrower's own commercial paper rates or the commercial paper rates published in the Wall Street Journal.
- DTE 1-5 Refer to Exh. MEC-1, at 11. Please explain in detail how a commercial paper credit rating is obtained by a company for its commercial paper.
- DTE 1-6 Refer to Exh. MEC-1, at 11-12. Please provide the monthly average of the rate for high-grade 30-day commercial paper sold through dealers by major corporations as published in the Wall Street Journal for the period January 2002 through December 2004.
- DTE 1-7 Refer to Exhibit MEC-1, at 12. Please provide an example of how the interest rate would be computed under interest rate option (ii). For purposes of responding to this question, the Company may apply currently available money market fund rates and depositor short-term investment accounts. As part of this response, discuss the appropriateness of relying on an interest rate method that appears to be based on non-public and non-indexed data.
- DTE 1-8 Refer to Exh. MEC-1, at 13. Please explain why GridAmerica Holdings Inc. and GridAmerica LLC will have lender-only participation status.
- DTE 1-9 Refer to Exh. RGS-3, at 1. Please explain the basis on which a borrower is considered to be a member of either Group 1 or Group 2.
- DTE 1-10 Refer to Exh. RGS-3, at 1. Please explain why certain members of the Money Pool participate both as lenders and borrowers while other members participate as lenders only.

- DTE 1-11 Refer to Exh. RGS-3, at 2. Please provide the current amount authorized by National Grid USA's board of directors for loans to subsidiaries.
- DTE 1-12 Refer to Exh. RGS-3, at 2. Please explain why loan requirements of \$1,000,000 or less are proposed to be accorded priority in loan disbursements.
- DTE 1-13 Refer to Exh. RGS-3, at 3. Is it the Company's position that Department approval is not required for termination of a participant's membership in the Money Pool? Please discuss.
- DTE 1-14 Please explain whether an individual member permitted to borrow from the Money Pool is subject to a minimum or maximum borrowing amount. If so, provide the minimum and maximum borrowing amounts that the borrower can draw from the Money Pool.
- DTE 1-15 Refer to Exh. RGS-3, at 4. Please discuss in detail why the Company proposes to include Section 15 (a Money Pool term of 364 days with automatic renewal) to the terms of the Money Pool.